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SENATE BILL 909

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JOHN ARTHUR SMITH

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN ADDITIONAL USE OF THE
SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX; AMENDING SECTIONS OF
THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-20E-13 NMSA 1978 (being Laws 1987,
Chapter 45, Section 3, as amended) is amended to read:

"7-20E-13. SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX--
AUTHORITY TO IMPOSE-- ORDINANCE REQUIREMENTS. --

A. The majority of the members of the governing body
may enact an ordinance imposing an excise tax on any person
engaging in business in the county for the privilege of engaging
in business. The rate of the tax shall be one-eighth of one
percent of the gross receipts of the person engaging in
business. The tax shall be imposed for a period of not more

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1 than five years from the effective date of the ordinance
2 imposing the tax. Having once enacted an ordinance under this
3 section, the governing body may enact subsequent ordinances for
4 succeeding periods of not more than five years, provided that
5 each such ordinance meets the requirements of the County Local
6 Option Gross Receipts Taxes Act with respect to the tax imposed
7 by this section.

8 B. The tax imposed by this section may be referred
9 to as the "special county hospital gross receipts tax".

10 C. For the purposes of this section, "county" means:

11 (1) a county:

12 (a) having a population of more than ten
13 thousand but less than ten thousand six hundred, according to
14 the last federal decennial census or any subsequent decennial
15 census, and having a net taxable value for rate-setting purposes
16 for the 1986 property tax year or any subsequent year of more
17 than eighty-two million dollars (\$82,000,000) but less than
18 eighty-two million three hundred thousand dollars (\$82,300,000);

19 (b) that has imposed a rate of one dollar
20 fifty cents (\$1.50) to each one thousand dollars (\$1,000) of net
21 taxable value of property as defined in the Property Tax Code
22 for property taxation purposes in the county and to each one
23 thousand dollars (\$1,000) of the assessed value of products
24 severed and sold in the school district as determined under the
25 Oil and Gas Ad Valorem Production Tax Act and the Oil and Gas

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1 Production Equipment Ad Valorem Tax Act or has made an
2 appropriation of funds or has imposed another tax that produces
3 an amount not less than the revenue that would be produced by
4 applying a rate of one dollar fifty cents (\$1.50) to each one
5 thousand dollars (\$1,000) of net taxable value of property as
6 defined in the Property Tax Code for property taxation purposes
7 in the school district and to each one thousand dollars (\$1,000)
8 of the assessed value of products severed and sold in the school
9 district as determined under the Oil and Gas Ad Valorem
10 Production Tax Act and the Oil and Gas Production Equipment Ad
11 Valorem Tax Act. The proceeds of any tax imposed or
12 appropriation made shall be dedicated for current operations and
13 maintenance of a hospital owned and operated by the county or
14 operated and maintained by another party pursuant to a lease
15 with the county; and

16 (c) having qualified at any time under
17 this definition shall continue to be qualified as a county and
18 authorized to implement the provisions of this section; and

19 (2) a class B county having a population of
20 more than seventeen thousand five hundred but less than nineteen
21 thousand according to the most recent federal decennial census
22 and having a net taxable value for property tax rate-setting
23 purposes of under two hundred million dollars (\$200,000,000).

24 D. The governing body of a county shall, at the time
25 of enacting an ordinance imposing the rate of the tax authorized

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1 in Subsection A of this section, dedicate the revenue:

2 (1) if the ordinance is enacted prior to
3 January 1, 1997, for current operations and maintenance of a
4 hospital owned and operated by the county or operated and
5 maintained by another party pursuant to a lease with the county,
6 and the use of these proceeds shall be for the care and
7 maintenance of sick and indigent persons and shall be an
8 expenditure for a public purpose; or

9 (2) if the ordinance is enacted on or after
10 January 1, 1997, for the purposes authorized in Paragraph (1) of
11 this subsection or for the provision of ambulance services and
12 health care services, including mental health and substance
13 abuse counseling and treatment services, to the residents of a
14 juvenile detention facility owned and operated by the county or
15 operated by another party pursuant to lease with the county.

16 In any election held, the ballot shall clearly state the
17 purpose to which the revenue will be dedicated and the revenue
18 shall be used by the county for that purpose.

19 E. Any ordinance enacted under the provisions of
20 Subsection A of this section shall include an effective date of
21 either July 1 or January 1 in accordance with the provisions of
22 the County Local Option Gross Receipts Taxes Act.

23 F. The ordinance shall not go into effect until
24 after an election is held and a simple majority of the qualified
25 electors of the county voting in the election votes in favor of

. 116433. 2

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1 imposing the special county hospital gross receipts tax. The
2 governing body shall adopt a resolution calling for an election
3 within seventy-five days of the date the ordinance is adopted on
4 the question of imposing the tax. The question may be submitted
5 to the qualified electors and voted upon as a separate question
6 in a general election or in any special election called for that
7 purpose by the governing body. A special election upon the
8 question shall be called, held, conducted and canvassed in
9 substantially the same manner as provided by law for general
10 elections. If the question of imposing a special county
11 hospital gross receipts tax fails, the governing body shall not
12 again propose a special county hospital gross receipts tax for a
13 period of one year after the election. A certified copy of any
14 ordinance imposing a special county hospital gross receipts tax
15 shall be mailed to the department within five days after the
16 ordinance is adopted in any election called for that purpose.

17 G. A single election may be held on the question of
18 imposing a special county hospital gross receipts tax as
19 authorized in this section on the question of imposing a special
20 county hospital gasoline tax as authorized in the Special County
21 Hospital Gasoline Tax Act and on the question of imposing a mill
22 levy pursuant to the Hospital Funding Act. "

23 Section 2. Section 7-20E-14 NMSA 1978 (being Laws 1987,
24 Chapter 45, Section 8, as amended) is amended to read:

25 "7-20E-14. SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX--USE

. 116433.2

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1 OF PROCEEDS. --The funds provided through the special county
2 hospital gross receipts tax shall be administered by the
3 governing body of the county and disbursed by the county
4 treasurer to a hospital or juvenile detention facility within
5 the county, subject to the approval by the governing body of a
6 budget or plan for use of the funds submitted by that hospital's
7 or juvenile detention facility's governing board. "